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No. 499

In the

Supreme Court of the United States

OCTOBER TERM, 1965

OUTBOARD MARINE CORPORATION,

Petitioner,

vs.

DONALD A. HOLLEY,

Respondent.

PETITIONER'S REPLY BRIEF.

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In his brief, Respondent questioned Petitioner's characterization of the opinion below as "astonishing." Petitioner believes that it *is* astonishing when a Court charged with the duty of determining whether a claim differentiates from the prior art, renders its decision without once referring to the language of the claim. Petitioner is further of the opinion that it *is* astonishing when a Court charged with the duty of determining the differentiation of a claim from the prior art renders its decision on the basis of an interpretation of a prior art patent which is factually contrary to the disclosure in the printed description of the prior art patent. Petitioner further feels that it *is* astonishing when a lower Court disregards the documentary evidence and testimony on the issue of patent misuse on

the basis of an excuse which this Court has explicitly condemned. Petitioner further regards it as astonishing when, without citation of any authority, a Court of Appeals renders a decision which is clearly contrary to the applicable law as determined by this Court.

Also in his brief, Respondent erroneously and repeatedly accuses Petitioner of requesting a trial "de novo." This accusation is wholly unjustified. Petitioner requests only that the correct legal criteria be applied to the controlling facts which are documented and of record, *i.e.*, to the facts contained in the patent in suit, the prior art patents, and the documentary evidence and testimony regarding patent misuse.

Invalidity.

Petitioner relied in the Courts below and is relying in this Court on the repeated pronouncements of this Court that the claims define the invention and that the claim language must distinguish over the prior art (Petition Page 18).

Petitioner has pointed out

(a) that the Courts below did not discuss the claim language, and

(b) that the claim language is met by the disclosures of the prior art references.

Respondent's brief is silent as to claim language and does not point to any claim language which distinguishes the claimed subject matter from the prior art. The fact is that Respondent cannot do so. Respondent's silence on this important issue constitutes ADMISSION by Respondent that the claim in suit does NOT distinguish from the prior art.

The Court's attention is directed to the case of *Altoona Publix Theatres, Inc.*, v. *American Tri-Ergon Corporation et al.*, 294 U.S. 477 (1935), wherein both lower courts upheld the validity of certain claims, but wherein this Supreme Court reversed. In so doing, the Court said, in part, at 294 U.S. 487:

> "The Court of Appeals, in upholding the patent, made no examination of its separate claims, but treated the patent throughout as though it were a combination of five distinct elements, the photo-electric cell, the arcuate flexing of the film, the flywheel, the flexible connection of the flywheel, and the optical slit, although nowhere in the patent is any such combination claimed. The patent thus upheld is one which was *neither claimed nor granted.* Under the statute, it is the claims of the patent which define the invention. . . . And each claim must stand or fall, as itself sufficiently defining invention, independently of the others. . . . As none of the flywheel claims as drawn define an invention, none can be aided by reading into it parts of the specifications, or of other claims, which the patentee failed to include in it." (Emphasis supplied)

The Court's attention is also directed to the fact that in the *Altoona* case, as in this case, there is "no question of concurrent findings by the courts below that the claims in issue severally involve invention" (see 294 U.S. 480). Findings 23, 24, 28, and 29 of the Trial Court and the decision of the Court of Appeals are both directed to "The invention of plaintiff's patent"—and not to the claim in suit.

Misdescription of Morgan and Anticipation by Morgan.

Petitioner has pointed out that the description of the operation of the Morgan patent by the Courts below was in error (Petition Page 20). Respondent does not point to any part of the Morgan disclosure to challenge the accuracy of Petitioner's position. In fact, Respondent *can not*. Instead, Respondent says, in effect, "that's not what you said previously." To the extent that what was said previously was not in accord with the *express written* disclosure of the Morgan patent, such previous statements are incorrect. The previous statements are "obviously" incorrect in the light of the *express written disclosure* of the Morgan patent (Petition Page 8).

Respondent's position is very weak in relying on an obviously erroneous statement. Two wrongs do not make a right. The real issue is what the actual fact is as to the Morgan disclosure upon which Petitioner relies. Public interest demands that the validity of a patent should be determined on the basis of the correct facts, not previous incorrect statements. Respondent's brief is silent as to any justification of the opinion below on the basis of anything found in Morgan. By his silence, Respondent apparently *agrees* that the Courts below have misdescribed the operation of the Morgan device, and therefore misunderstood the full import of the Morgan disclosure. Accordingly, Petitioner respectfully submits that any Finding as to lack of anticipation or obviousness of the claim in suit by reason of the Morgan disclosure is *obviously* in error.

Obviousness.

Respondent's brief is totally silent as to the legal determination of the question of obviousness under 35 U.S.C.

103 in view of any combination of the Giesler or Rayfield patents with the Morgan patent. Respondent notes only that the Giesler and Rayfield patents relate to an automotive use of an internal combustion engine. Respondent has not even attempted to challenge the obviousness of substituting, in the Morgan cooling system, one of the Giesler or Rayfield valves for the Morgan valve. Such a substitution meets even Respondent's interpretation of the claim. There is no finding with respect to such a substitution either by the trial Court or the appellate Court.

Respondent's silence in this regard is a tacit acknowledgment of the obviousness of such a substitution.

Functionalism.

Notwithstanding Respondent's denial on page 10 of his brief, Respondent's counsel has characterized the alleged invention before the trial Court as residing in the employment of a thermostatic valve to apportion flow between the engine cooling jacket and the bypass line.[1] It is precisely in this area that the claim in suit is wholly functional. Therefore, the cases of *General Electric Co.* v. *Wabash Appliance Corp.*, 304 U.S. 364, 37 USPQ 466 (1938) and *Halliburton Oil Well Cementing Co.* v. *Walker et al.*, 329 U.S. 1 (1946), are directly applicable.

Respondent's contention that Respondent's claim constitutes a new combination is a right-about-face from Respondent's position in the trial Court.[1] Respondent's reliance on *Faulkner* v. *Gibbs*, 338 U.S. 267, 83 USPQ 192 (1949) should be viewed in the light of the combinations set forth in each of the Morgan, Giesler, and Rayfield patents. Each of these three patents discloses all of the

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[1] Accompanying Appendix previously filed by Petitioner with the Court of Appeals, pages 30 and 31.

elements of the claim in suit in the *same* combination as in the claim in suit. Respondent-Patentee has not, in any way, defined, in the claim in suit, a new combination of old elements. *Faulkner* v. *Gibbs* is therefore irrelevant.

Misuse.

Respondent has attempted to infer that Petitioner has not placed all of the relevant facts in the record before this Court. However, *Respondent has not seen fit to add any additional relevant fact.* In truth, Petitioner has brought to this Court's attention in its Petition and Appendix thereto, *all* of the relevant evidence. Nothing can add to or subtract from the written document (Petition Page A-34) which establishes the fact of misuse. Respondent's contention that he had little opportunity to make a full response implies an admission that the *record* facts establish patent misuse.

Miscellaneous.

While Petitioner regards many other areas of Respondent's brief as being inaccurate and misleading, Petitioner does not wish to burden this Court with a detailed recitation, except to note that Respondent has several times employed, with reference to Petitioner, the term "appropriation." Petitioner vehemently denies that it has appropriated or taken anything from Respondent. Petitioner's accused devices follow the teachings of the prior art and are the result of its own developmental work. The trial Court found that there was no evidentiary support for the contention that Petitioner is guilty of willful or knowing infringement (Finding of Fact 45).

Conclusion.

It is respectfully submitted that this Court should grant *certiorari* because federal questions have been decided in a manner in conflict with applicable decisions of this Court, and in order to prevent a miscarriage of justice. The decision below upholds the validity of a claim which is not only functional but also fails to define anything patentable over the prior art. In addition, the Court below explicitly condones conduct which repeatedly has been held by this Court to constitute misuse.

Respectfully submitted,

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